GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA

UNSTARRED QUESTION NO:1541
ANSWERED ON:02.12.2014
STORAGE GODOWNS .
Antony Shri Anto ;Birla Shri Om;Chaudhary Shri C.R.;Gopalakrishnan Shri R.;Hemamalini Smt. ;Khan Shri Md. Badariddoza;Meghwal Shri Arjun Ram ;Patel Shri Devji Mansingram;Patil Shri A.T. (Nana);Singh Shri Ganesh;Singh Shri Rakesh;Singh Shri Sunil Kumar;Solanki Dr. Kirit Premjibhai;Somaiya Dr. Kirit;Tripathi Shri Sharad

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether the Government had made any assessment regarding the requirement of storage space in the country during the ensuing year;

(b) if so, the details and the outcome thereof indicating its requirement, availability and the capacity proposed to be created during the ensuing year along with the assistance provided including funds allocated and released during the current year, State-wise;

(c) whether the Government proposes to engage the private sector for creation of storage space and if so, the details thereof and the action taken thereon along with the incentives proposed to be provided for the purpose;

(d) whether there is any proposal to develop storage at the tehsil/consumer level to reduce damages and if so, the details thereof; and

(e) the manner in which the Government proposes to utilise the stock of foodgrains held by FCI including allocation for Public Distribution System?

Answer

MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION (SHRI RAOSAHEB PATIL DANVE)

(a): Yes, Sir. The requirement of storage capacity for Central Food Stocks was assessed in the year 2009 at the States level by State Level Committees (SLCs), which comprised of officials of the State Governments dealing with Food and Public Distribu- tion and the Food Corporation of India.

(b): Based on the storage gap recommended by the State Level Committees (SLCs), a capacity of about 200 lakh MT was approved for construction of godowns in 20 states. The FCI commenced implementation of the Private Entrepreneurs Guarantee (PEG) Scheme to augment storage capacities. The PEG Scheme is based on Public Private Partnership model and hence no funding is required from the Government. Accordingly, no funds have been released.

However, Government is augmenting storage capacities through Plan funds in the North Eastern States and a few other States where investor response under PPP was not forthcoming. A storage capacity of 3,68,950 MT is being created with a financial outlay of Rs 530 crores during the 12th Five Year Plan (2012-17).

In the current year, Rs 50 crores have been released to FCI for constructing godowns and a capacity of 7,000 MT has been created as on 31-10-2014. In addition, a total of Rs 5.00 crores in the form of Grants-in -Aid have been released to the State Governments of Mizoram (Rs 2.00 crores), Arunachal Pradesh (Rs 1.78 core) , Sikkim (Rs 0.55 crores) and Tripura (Rs 0.67 crores), for creation of intermediate storage godowns.

(c): Storage capacity under PEG Scheme is being created using private investment through Public Private Partnership. In the PEG Scheme, the FCI hires godowns on a guaranteed basis for 10 years. This ensures a fair rate of return to private investors.

As against a capacity of 200 lakh MT approved under this scheme, a capacity of 120 lakh MT has been created as on 31-10-2014.

(d): As such, there is no scheme of the Department to construct storage facilities at the tehsil/consumer level. Only in the case of North Eastern States, Plan funds have been provided to create intermediate level godowns at tehsil level. In the current year, total Rs 5.00 crores in the form of Grants-in -Aid have been released to the State Governments of Mizoram (Rs 2.00 crores), Arunachal Pradesh (Rs 1.78 core) , Sikkim (Rs 0.55 crores) and Tripura (Rs 0.67 crores). However, all State Governments have been informed that such facilities may be constructed using funds under the MGNREGA scheme.

(e): Government shall utilize stock of foodgrains held by FCI for distribution under the Targeted Public Distribution System (TPDS) and Other Welfare Schemes (OWS). The estimated allocation of foodgrains for the current year 2014-15 is about 485 lakh MTs under TPDS and about 120 lakh MTs in other Schemes, i.e. a total of 605 lakh MTs. Besides, Government also sells wheat, as and when required, to the bulk consumers/traders under Open Market Sales Scheme in order to check inflationary trends in the open market.